

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Vasconcellos Analyst: Roger Lackey Bill Number: SB 1908

Related Bills: See Prior Analysis Telephone: 845-3627 Amended Date: 06-30-98

Attorney: Doug Bramhall

Sponsor:

SUBJECT: LAO Consult With FTB & Other Entities/Taxation Of Internet Business Activity

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED May 21, 1998, STILL APPLIES.

OTHER - See comments below.

SUMMARY OF BILL

This bill would require the Legislative Analyst (LAO), on or before April 1, 1999, to prepare and deliver to the Legislature a report regarding taxation and business activities on the Internet. In preparing the report LAO is to consult with the business community, the Franchise Tax Board (FTB), the State Board of Equalization (BOE), the Director of Finance (DOF), the League of California Cities, and the California State Association of Counties.

SUMMARY OF AMENDMENT

The June 30, 1998, amendment deleted the existing provisions of the bill and added new provisions that restructure the author's intent.

Except for the discussion of this analysis, the department's analysis of SB 1908 as amended May 21, 1998, still applies.

SPECIFIC FINDINGS

This bill would provide that the Legislative Analyst shall prepare and deliver to each house of the Legislature by April 1, 1999, a report that reviews the current tax treatment of Internet-related business activities by the federal, state and local governments.

This bill would provide that the report identify the economic, fiscal and administrative policy issues that state and local governments and businesses would face related to the growth of electronic commerce in California.

This bill would provide that the Legislative Analyst, in preparing the report, shall consult with the business community, the Franchise Tax Board (FTB), the State Board of Equalization (BOE), the Director of Finance (DOF), the League of California Cities, and the California State Association of Counties, and other private and public entities and organizations that he or she deems appropriate.

Board Position:

<input type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input checked="" type="checkbox"/> PENDING

Department/Legislative Director

Date

Johnnie Lou Rosas

7/17/98